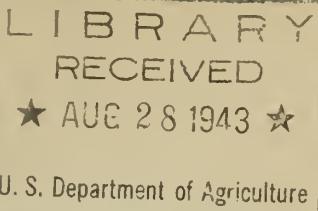


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NOTES

on

POULTRY AND EGG CONFERENCE

Ansley Hotel, Atlanta, Georgia

April 12 and 13, 1943

Palmer: Gentlemen, let's call the meeting to order. We have a lot to get done, so let's get started. First, I would like to introduce to you Mr. C. K. Powell, of the Poultry and Egg Branch of the FDA in Washington, and Mr. H. L. Shrader of the Washington Extension Service. I would also like for each of you to stand, give your name and the agency you represent. Let's start over on this side.

(There followed a general introduction by each individual. States of Kentucky, Tennessee, North Carolina, Virginia, South Carolina, Florida, Georgia, Alabama, and Mississippi were represented.)

Palmer: This meeting has been called so that all of us who are interested in the marketing of eggs and poultry might consider the effects of OPA's maximum price regulations for poultry products and the U. S. Department of Agriculture's Standards and Grades as related to the effective marketing of these products under wartime conditions to best serve producers and consumers, including military forces and Lend-Lease purchases. It is hoped that as an outgrowth of this conference and similar ones to be held in other regions, representatives of the various agencies will set up regional and State committees to develop and conduct educational programs, including grading schools, which will assist all interested persons in the various States to buy and sell poultry products in accordance with the OPA's maximum price regulations and sound market practice.

The first speaker on the program is Mr. C. K. Powell, who will tell us something of the present poultry and egg situation and outline for us the objectives and purposes of this conference. Mr. Powell:

Powell: It is generally agreed that food is one of our very effective weapons of war --- first, for the armed forces; second, the people at home; and third, the Allied Nations.

Food is even more than a weapon of war; it is one of our primary resources. By it nations are not only brought into

subjection, but may also be made friendly. During the past several years we have had bountiful crops; even to the extent that we have not been able to contain them. Some of last year's crops have not yet been harvested. Food growing is a basic point on which every nation's strength is founded.

It is now known that eggs and poultry are high among the essential war foods, and week by week the demands on the industry are greater.

Much dependence is being placed upon eggs and poultry as a means of supplementing supplies of beef, veal, pork, and lamb of which there will be considerably less available for civilians than usual, due to heavy wartime demands.

At present there is every indication that egg production will be greater than the goal called for in 1943, but at the same time it is known that the rationing of meats is forcing civilians to eat more and more eggs. The estimated production of eggs for 1943 is set at about 60 billion eggs. Roughly, one out of every four eggs produced will be needed for military or Lend-Lease purposes in the form of dried whole eggs. At present reckoning, total need for this product will amount to some 400,000,000 pounds in 1943. This will include all presently visible Lend-Lease and military requirements. Manufacture of this quantity will take roughly 14 billion shell eggs.

The remainder of the 1943 production will supply the need for hatching eggs, for exports in small quantities, and leave enough for per capita consumption at the rate, according to recent estimates, of 336 eggs annually. This is about 20 eggs per capita higher than consumption in 1942, but is below the record consumption of 1927 when the per capita rate was 342 eggs.

Just as there will be a market for every egg that can be produced in 1943, there also will be a market for every meat chicken. Present indications point toward the production of more meat chickens this year than in 1942, but attainment of the goal which was set -- 29% higher than production last year -- is in some doubt, in spite of the fact that the demand for hatchery chicks is the greatest on record.

We realize that there will be difficulties such as shortage of labor, machinery, feed, etc., but generally speaking

there are certain broad objectives which surely will be attained; these may be summarized as follows: first, increased production of eggs and poultry; second, the control of inflation; third, the efficient and economic handling of the product throughout the industry; and, fourth, less useless buying and greater understanding on the part of the consumer.

The immediate objectives of this conference are:

To consider effects of OPA's Maximum Price Regulations for poultry products and U. S. Department of Agriculture's Standards and Grades as related to the effective marketing of these products under war time conditions to best serve producers and consumers, including military forces and Lend-Lease purchases.

Palmer: Thank you, Mr. Powell. We will hear from Mr. Powell again later on when he discusses grade standards and terminology. The Government is putting down more restrictive orders every day. Almost 50 have been issued by the Department of Agriculture and there are also those by the OPA. In approaching our problem we thought it would be well to give you an outline of OPA restrictions on eggs and how these restrictions work. Is Mr. Kamper here?

McPherson: Mr. Kamper just phoned that he was on his way over from the Candler Building. He should be here any minute.

Palmer: All right. Sorry for this delay. In the meantime, do you have anything you would like to say to these people, Mr. Shrader?

Shrader: I don't have a talk prepared but I'll be glad to try to fill in the time.

In this whole movement the Extension Service has had their part. We have representatives here from all States except Kentucky. Mr. Powell and I have ganged up on these Regional meetings to try to bring their thinking together on education work for grades and standards. I was impressed, a few days ago, with the statement of Mr. Pollock of the Chicago Regional Office who said that practically all grades and standards on grain products were brought about as a result of the other war. He says that conditions brought about by this war present a golden opportunity to make the public grade conscious and, if the enforcement people pass up this opportunity, we may not have as easy a time after this opportunity is over.

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From the total production standpoint there is quite a bit of backyard poultry raising going on. Out in California they got scared when they could not buy but two or three eggs at a time. The wave of enthusiasm for backyard flocks has continued and you will find more and more of the ten or twelve chicken flocks. So great was this interest in raising your own, that on the first of March Macy's Department Store in New York City opened up a victory backyard flock right along with the victory garden. It doesn't look like New York would be quite the place to raise chickens, but Macy's has almost been mobbed since they opened up this department. When they opened it up, they got Paul Ives, Editor of "Cackle and Crow" to act as information specialist for them. The interest shown was way beyond expectations. Macy's laid in a stock of goods which they thought would last six months. Actually what happened was that they sold the whole six months' supply in one month. They have gone out and contracted for 200 more brooders. They are also in the market for baby chicks and you know how hard it is to buy baby chicks. They have now switched over to six or eight weeks old chicks. Marshall Field's in Chicago and other department stores are showing interest. That gives you a little of the switch in the trend that has come with the wartime food production program.

Immediately the question arises "Where are they going to get feed?" The feed situation is tight. In a few places the people have become alarmed and have sold their birds. We don't think the feed situation is severely critical or impossible. We think the backyard flock will make good use of the feed they do get because it will be supplemented by table scraps. In England they have done that. They collect table scraps and mix with it the corn and other grains they are able to get. In England that is about the only way they have been able to get the few eggs they have gotten.

I hope that as the conference develops your problems on feed, black markets, and so forth will come out into the open and that we will go forward with a broad knowledge of how to attack the problem and how to promote the economical use of the poultry meat and a good merchandising program for the eggs.

Palmer: Thank you, Mr. Shrader. On these Federal orders, we have to have compliance if they are to be effective and we would like to have all of you help everybody toward a better under-

standing of the orders. Our discussions will follow the program which has been distributed to all of you. (Palmer read an outline of the program to take place.)

McPherson: In connection with the committees, has anybody any suggestions as to how to divide the crowd up into groups, or shall we use the preferences as shown on the registration cards?

(It was decided to use preferences as shown on cards.)

Palmer: Mr. Tolman, of the OPA Regional Office, will discuss the price phases of the recent OPA egg orders. Mr. Tolman:

Tolman: It is a bit difficult at this time to discuss the Regulation known as 26 as the revisions are more or less technical. At this time we will discuss only the order as it is at the present time. It has given a good bit of difficulty. It might be well to give you a bit of background on it.

The regulation as it now exists was written at a time when the price of live poultry was low. The prices were laid down because it was felt it would be advisable to lay down a price for live poultry as well as for processed poultry. Since that time live poultry has reached prices outlined in the regulation. The theory is simply this. The major movement of poultry is from the west and midwest on into the east. The regulation was written so that there would be only one base at any one point. The method of computing ceiling prices anywhere east from New York would be to start with base prices adjusted for freight rates. Of course, that would work very well if the poultry all originated at the same place. A single price was gotten in the large production areas and the regulation provides a list or table from which all prices for every transaction, whatever type of sale it might be, are computed. These prices are specific dollar and cents prices. That is desirable from the standpoint of the consumption market.

The complicating factor is this: If, on the other hand, an Atlanta wholesaler or processor buys poultry at any other point than Atlanta, he must start with Atlanta prices and compute freight rates. If he takes title in another place and brings it over to Atlanta, there is a difference in prices. This results in giving one set of operators a slight advantage over another set of operators. The regulation governs all sales, purchases, or deliveries. It allows

for differentials by wholesalers and mark-ups by virtue of size and type of customer of $1\frac{1}{2}\%$. The regulation also attempts to even up the price to the retailer where the wholesaler's function is done by the farmer. The grower producer is not entitled to $1\frac{1}{2}\%$ unless the sale is to a retailer or institutional user. This is done in order to equalize the situation.

The balance of the regulation has to do with a table which lays down spreads between the different types of processing.

The regulation in its present form allows for other factors to take care of various sales to the Army, the Navy, the Government agencies, etc.

It is possible that there may be an amendment to the regulation. How long it will be before it is announced is doubtful. The amendment intends to make certain adjustments in the margins between live, processed and various types of processed poultry.

Beanblossom: What provisions are in the regulation for a man who is cooperating with 10 producers who have, say, 2000 broilers for sale. Is he allowed a mark-up for a 200 mile haul?

Tolman: No. When this regulation was written it was assumed that such an assembler would be able to sell at ceiling and buy under ceiling prices. In other words, the farmer would not get the highest maximum ceiling price at the farm. This was true at the time the regulation was written but it is not true now due to a rise in price.

Beanblossom: What suggestions do you have for moving these broilers to market now?

Tolman: We have strongly urged that a provision be made in the regulation for the assembler. Also, in addition to this factor, we would like to arrange a system whereby the man who trucks this poultry the 200 miles will be allowed a reasonable fee.

Beanblossom: The 100 mile provision for the wholesaler applies to distributing. Can the wholesaler go out and pick up this poultry a 100 miles away?

Tolman: There is no provision for that. (OPA regulation on the definition of "wholesaler" was read.)

Beanblossom: I don't believe there is anybody in the State of Mississippi who will qualify as a wholesaler.

Tolman: That may be.

Pace: He acts not as a wholesaler but merely as an assembler.

Beanblossom: We are instructing our farmers to obtain the ceiling price when a truck drives in from New Orleans but under your regulation this man can not pay a ceiling price.

Riser: With a $28\frac{1}{2}\text{\$}$ broiler price in Gainesville, Georgia and $27.9\text{\$}$ in Jacksonville, Florida how are we going to get any poultry in Florida?

Tolman: I have been trying to find an answer to that for three weeks.

Riser: The only way we can get it is through black marketing.

Tolman: It appears that the regulation in its present form contemplates the movement of poultry locally.

Harris: My solution is a ceiling price to the consumer and let supply and demand work out a price to the producer. If we have too many ceilings they cannot be enforced.

Tolman: Yes, I agree with you, but such an amendment has not been forthcoming.

Overton: Why has the price gone up to the consumer who formerly paid $6\frac{1}{2}\text{\$}$ for a chicken to the point where now, as eviscerated poultry, the cost is over \$1.00?

Tolman: A $28\text{\$}$ broiler in Gainesville becomes a $28.3\text{\$}$ live price in Atlanta. To the $28.3\text{\$}$, $4\text{\$}$ a pound is added for New York dressed. As long as they were buying below the ceiling they could do that. Now that they have to pay ceiling prices for live products, it is not possible. There is a spread of $20\frac{1}{2}\text{\$}$ for a table dressed broiler as compared with a $4\text{\$}$ New York dressed. It may be that this table dressed mark-up is slightly excessive. This has caused a shift to the table dressed price of $47\frac{1}{2}\text{\$}$ plus the Florida differential, which, when multiplied by 1.2, gives you slightly over $60\text{\$}$ a pound retail price in Atlanta.

Tolman: This is a difficulty which we believe will be recognized and corrected by the amendment. It is difference between the mark-up of New York dressed and table dressed. There just is no answer.

Stowe: If there is a retail ceiling, will the law of supply and demand take care of the prices in the country?

Tolman: We are not sure this will work because the demand has increased so much because of rationing of other meats. If the price gets too high in the country it makes it impossible for the retailer and wholesaler to handle the goods. We had that experience on cabbage. Our experiences in cases where consumer ceilings have been set have been that it rapidly decreases the margins of all handlers between the producer and consumer. For example, cabbage was 6¢ in Florida and 6¢ retail price in Atlanta and we had to make adjustments.

Beanblossom: Suppose a farm woman wants to put on the market 25 broilers fully dressed or New York drawn. Is she entitled to the ceiling price?

Tolman: Her price would be determined by taking the maximum base price. She will apply a mark-up of 1.20 to the ceiling price at Atlanta for dressed poultry.

Ross: Are the farmer cooperatives classified with other wholesalers?

Tolman: I believe not.

Ross: Will the revision be issued in layman's language?

Tolman: I don't know. I don't think so. It will probably have some of the technical wording of the present one.

Bell: Will there be anything in the new regulations for the live dealer?

Tolman: We have made a serious effort in our recommendations to see that the live dealer is incorporated in the provisions.

Smith: Where would the mark-up be added if we accept the President's statement that prices to the consumer cannot be increased?

Tolman: I don't know. We will squeeze it out in the middle.

Smith: Is provision being made to take care of the increase in price to take care of the increase in feed costs?

Tolman: I don't know about that.

Pace: Feed prices have been going up each week since the OPA poultry order came out.

Beanblossom: We are going to get a reaction from the production people if the retailer gets 20¢ for handling it when the farmer has spent 14 weeks raising poultry and he doesn't make 20¢ per bird.

Palmer: Any further questions? If not, thank you very much for coming over, Mr. Tolman.

Palmer then introduced Mr. Culp, Attorney for the Price Division of OPA, who declined to speak.

Palmer: Another OPA man you should know and whom you will hear from now is Mr. Francis Kamper, of the Food Division, Mr. Kamper:

Kamper: I want to talk to you about the new regulation which is probably, we might say, an unfinished regulation because of these facts. It was written on February 25. Since that time the price of eggs has steadily declined. Egg prices normally stay low during the period of March, April, and May. Sometimes they stay low until September. By looking at the regulation you will notice that prices have been fixed. Consequently there have not been many problems arising over the marketing of eggs under this regulation. When you do look over the regulation you will note that OPA has set in to fix prices to everyone except the farmer and the farmer only in a limited way. Because prices are still low prices from the producer to the handler are not taken care of. You will notice another omission in this regulation -- the handling of storage eggs. The purpose of this is that the OPA thinks that these prices are going to be fair prices for the producers and dealers throughout the year. It is another regulation which will begin to cause a great many inquiries by the trade when the cost of eggs comes down, or when the prices on the farms crowd ceiling prices in the stores. We have other regulations that are written on the same basis. The flour regulation is one of those. The basis of this egg regulation is the third block on page 5 that Grade A eggs on April 5 will be cut to 43¢. Where will it be worth 43¢? At the base cities named in the regulation. You will notice that the United States is divided into two areas. (See regulation.) The question of freight is one which will bother us when you are shipping eggs from one section of the country to another. We will have to use a freight rate multiplier at different times of the year. (Mr. Kamper used as an illustration the City of

Cleveland and read from MPR 333 on page 4 and 5.) What is the handler to do when the price to the producer crowds the ceiling price? The wholesaler's prices are not permitted to go beyond the prices set forth in the tables. If the demand for eggs increases, it is possible we are going to have a great many difficulties with this ceiling price. At present it is working satisfactorily because the price of eggs is comparatively low. There is a provision for premium prices for higher quality eggs. All eggs should be graded according to U. S. Standards. In this locality eggs are not being graded too closely. That means that there is a need for education. The retailer is given a percentage mark-up on his cost price, varying as to type of retailer. These percentage mark-ups are specified on costs. Ordinarily it has been the custom to base mark-ups on selling prices rather than on costs. The retailers or wholesalers who package eggs are given 1¢ per each half-dozen or 2¢ on each dozen. In addition to this regulation applying to edible eggs, there are provisions for the sale of eggs to the Governmental procurement agencies. It requires that eggs be sold at 2¢ less than the prices mentioned here.

There is another amendment which now permits sellers to Government agencies to get ceiling prices if they can.

You of AMA have been giving support prices to the farmer. When the regulation was passed there was a scarcity of eggs and the original order froze the price of eggs. The OPA was criticized by some because they could not sell their eggs for all they could get out of them. I talked to the Virginia Association of Poultrymen not long ago. They were worrying about the low price of eggs. In a period of six weeks, therefore, the price had come down to the extent that a well organized agency such as that was wondering what was to be done about it.

This regulation is very long and deals not only with table eggs but with the commercial products -- practically all forms of the eggs used for human consumption. I don't know whether it is necessary that I call your attention to that because only recently has there been any development in the South for frozen and powdered eggs. They are gradually coming into the South. After the 15th of May our flush season will be over and by the 15th of July, we will be importing eggs. That is when our problems are really going to come up.

Look at page 5, table A. The Presidential Order controls things we did not have any control over. What the final shape of the order will be I do not know. I do think, however, that in writing these regulations Washington gets a lot of statistical data from the field and by using national averages and figures has endeavored to give fair treatment to distributors.

I felt that our Region might be a little different from the other regions. Consequently we are going to Washington to point out that this region and the individual States composing it are different from other regions and States. Washington is delighted to have these instances of differences pointed out. Washington is having to operate, however, for the entire country. The problems under the regulation have not actually come up. We just want to forestall any we can.

Beanblossom: Is there any possibility of controlling prices of assorted eggs to keep them from being marketed as Grade A eggs? We are at present marketing 2,000 cases a week under official Government grade. Our problem is to sell these Grade A's on a competitive market as against assorted eggs.

Harris: Georgia has an egg law that has been in force for many years. The only way to enforce a situation like that is to inspect the eggs in the stores. Georgia does not allow dirty eggs in the stores. Our grades in Georgia are established and our wholesale people are very cooperative in grading their eggs. It can be handled by you but you have to have men in the field to do it. Georgia does not allow any eggs to be sold as "ungraded" or "assorted."

Beanblossom: How many men do you have as inspectors?

Harris: Fifteen.

Kamper: How is this paid for?

Harris: Our law provides for 2¢ per case inspection fee. Florida, I believe, has a 4¢ inspection fee.

Kamper: Are those men licensed by the Secretary of Agriculture as official graders?

Harris: No. They are Georgia graders. They are all trained graders and canders. They were trained by the Poultry Department at the College.

McPherson: Mr. Beanblossom's question to Mr. Kamper has not been answered. Will you repeat your question, Mr. Beanblossom?

Beanblossom: We are selling to Army camps and to other people. With the close spread we don't have any too much leeway to compete against assorted eggs. We don't have any law other than the OPA ruling. Is there any way we can get this thing taken care of? Is there a compliance part of OPA which would check on this and see that they can't sell assorted or ungraded eggs for the same as Grade A?

Kamper: It would be a violation for anyone to sell assorted eggs to anyone except the retailer.

Beanblossom: The thing I am interested in is a provision which will carry forward the grading of eggs. We are hitting the problem of assorted eggs being sold day in and day out.

Collier: You will note that only certain grades must be certified by the United States Department of Agriculture. Why aren't all the grades covered by the same inspection ruling?

Culp: You can inspect them yourselves. According to U. S. Standards.

Kamper: Our Enforcement Division can check any statement as to the truth of the grading.

Collier: Can a producer sell an egg which he thinks is a Grade A as a Grade A?

Kamper: Yes. If he could get Federal inspection, the egg might be graded even higher and ...

Meek: What has the OPA done to see that the eggs that are not officially graded are according to the grade specified on the container?

Kamper: We could take every complaint like that and turn it over to the Enforcement attorneys. I think that it will evolve upon the closest work of the FDA, OPA, and State agencies and the leaders in the trade to see that the specifications are followed. I am quite sure that the housewife will help. Legally, under the regulation if there is a violation or a suspected violation, we turn it over to the Enforcement Division.

Meek: Some of us think that should have been worked out before the regulations were announced. Everybody seems to agree that something should be done but apparently nothing is being done. I am told that the black market in meat will be overshadowed by the black market in eggs.

Kamper: I don't have as hopeless a feeling as that. We will need a strict enforcement program. Are there any further questions? If not, thanks for the opportunity of coming over.

Parrish: In North Carolina some of our semicommercial men are farmers. They do not have access to grading stations. They have been selling to retailers for a number of years. When this regulation was released they had to cut down their price because they were selling assorted eggs. The retailers were willing to pay their usual price. Now, why should they lose 60¢ to 75¢ a case by not having time to grade their eggs.

Kamper: I would suggest that they work out some kind of community grading system or should learn to grade eggs themselves.

Parrish: The man I am thinking of is a farmer and doesn't have time for grading.

Sheffield: We have had trouble having Grade A and B eggs offered meeting the specifications.

Beare: Would it be possible for the OPA to put out a simple digest for the use of the layman who doesn't want to be bothered with all the rules and regulations?

Kamper: They are putting one out. You can get one from your State OPA man.

There being no further discussion the meeting adjourned at 12:30 p.m. for lunch. The next session was called for 1:30 p.m.

The meeting reconvened at 1:30 p.m. with Mr. William K. McPherson, Assistant Regional Administrator of FDA, presiding. Mr. McPherson introduced Mr. Williams, of the OPA Regional Office.

Williams: My discussion of enforcement will be very brief. I frankly did not know that I was supposed to address you. I came for the purpose of instructing myself.

First, the aim of enforcement primarily is to take such action under any of these regulations as will induce the maximum of compliance on the part of the public or the trade. We do not employ stop-over methods. We try to keep the proper balance between the producer or dealer and the public.

Frankly, I know very little about the egg regulation. It is new and while the price people are at present engaged in an egg education program, it has not become an active schedule of enforcement. In OPA after a regulation comes out we attempt to educate the trade with respect to the regulation. In the early stages we do not have a very intensive enforcement program. Enforcement, together with the Price people, attempts to make sure that the trade understands the regulation so that they can bring themselves in compliance without any enforcement action. After the trade has had the opportunity to get a broad understanding, then we take enforcement steps. Enforcement has come to the system of what we term "Compliance Drives." Originally we investigated and took enforcement action only in those cases brought to our attention through separate complaints by different parties against a particular individual. That was negative from a broad viewpoint in enforcement, so that now, after the OPA puts on the educational phase of the program with respect to a particular regulation, then enforcement puts on its compliance drive if we consider that there are widespread violations of the regulation. We assigned investigators, the number depending upon the number in the industry being investigated and the amount of reported violations. These investigators spot check the industry, make separate investigations of separate members of the trade and we try to make it as thorough as possible with the man-power which we have, so that the trade will be conscious of the fact that the OPA is on the job and expects the trade to observe the provisions of the regulation.

Insofar as the poultry regulation is concerned, admittedly we have a regulation which is difficult to enforce. We therefore expect widespread violation. It is similar to the Meat Restriction Order. It was almost impossible to enforce, but we had to do the best we could. We have different sanctions which we

employ -- anywhere from a conference with the alleged violator on up to prosecution. On the poultry regulation we have brought some twenty-odd injunction suits against egg handlers. In other cases -- four in the region -- we have brought criminal prosecution. In those cases the violators had all been called into the OPA and had had the regulation explained to them and yet they continued to sell above the ceiling.

I will be glad to answer any questions on enforcement policies.

Harris: From the standpoint of supervising an egg law, we are enforcing our law. Is your enforcement going to take the place of our enforcement or will it conflict?

Williams: I don't know, but if the regulation is in conflict with the Georgia law, I would say that the regulation would supersede it.

Harris: It will not conflict except in that you don't allow any tolerance.

Powell: Tolerance is allowed under procurement grades but not under consumer grades. This system of grades will be discussed later.

Paramore: What action has OPA taken on the compliance of grades of live poultry?

Williams: I don't know.

Paramore: Is the provision of the law being enforced on that? Or what will be done about it?

Williams: I don't know what will be done. We have not reached that yet. We have concentrated on out-and-out violators who sell above the ceiling.

Meck: As I see the situation it is difficult for your men who do not have technical training to determine what is actually a violation. For instance, old chickens selling for the price of young ones.

Williams: Yes. That's true. In such cases we have to call on our commodity experts.

Meck: In Virginia we have been called on to furnish men who are trained in that. There has been a lot of passing of lower

value products for higher value. As to the egg business, I took that up with the OPA people. We have some fifty egg grading stations in the state and 150 employees. Can we use them to determine whether the eggs are marked according to the real quality? Can we get funds for this? OPA hasn't done anything about upgrading. They should have done something before the regulations were issued. We are licensed by the Federal Department of Agriculture and we are not getting any teamwork. We are trained and you are not, but we are not getting any coordination.

Williams: As far as the Regional Office is concerned, we are doing everything possible to take advantage of your offer.

Meek: Nobody seems to be interested in our offer.

Williams: Actually that is an administrative matter not an enforcement one. I'll take it up with the administrative people.

Meek: We need some sympathetic following up and technical inspections. The whole program will be less than nothing if we don't have it.

Powell: There have been in some of the other districts requests by the OPA for federal and state men to make inspections. A U.S. Certificate is bonafide evidence in court. The FDA and OPA will have to work closely. The question of paying will have to be worked out. We can't possibly bring evidence into court unless it is proper evidence.

Meek: We need cooperation now. The longer we delay the harder it will be.

Harris: I want to make my question more clear. Am I to discontinue any enforcement now that the OPA is coming in?

Williams: No. We need more enforcement rather than less.

McPherson: Are there any further questions? I think we want to make a recommendation on Mr. Meeks' suggestion. We will get that down in the committees later this afternoon.

The next subject for discussion is by Dr. Powell, who will discuss Federal egg and poultry grading standards and terminology.

Dr. Powell:

U. S. Standards and Grades for eggs and poultry have been developed over a considerable number of years and have been based upon customary practices in grading, plus experience obtained as a result of applying the grades to the product in commerce.

Recently, U. S. Standards and Grades for shell eggs and dressed poultry have been revised. These revisions were made in the interest of simplification and clarification. Letter terminology instead of name terminology has been adopted so that the relative quality of the different grades is self-explanatory by the letter names. The revisions were also made, having in mind the probable use which might be made of them under the Office of Price Administration's Maximum Price Regulations covering eggs and dressed poultry.

At present, the U. S. Standards and Grades for shell eggs cover the following: Official United States Standards for Individual Eggs, Tentative U. S. Consumer Grades, and Tentative U. S. Procurement Grades. Consideration is also being given to a possible revision of the Tentative U. S. Wholesale Grades and grades are being worked out for frozen eggs and dried eggs as well as shell eggs.

The Official United States Standard for Individual Eggs have been drawn up for the purpose of defining individual eggs in terms of quality so that each egg could be classified in its proper category. The factors which are taken into consideration in establishing the quality of individual eggs are condition of the shell, size and condition of the air cell, condition of the yolk, and the condition of the white. There are four basic U. S. Standards of quality for clean shell eggs. These are designated in the descending order of their quality as U. S. "AA," U. S. "A," U. S. "B," and U. S. "C." Standards of quality for individual eggs with dirty shells and with damaged shells are also provided.

The U. S. Consumer Grades for Eggs are very similar to the U. S. Retail Grades which were previously in effect and use. It was felt, however, that the designation Consumer Grade was more meaningful than the term Retail Grade. The U. S. Consumer Grades are, of course, based on the U. S. Standards of Quality for Individual Eggs. However, as eggs are graded out into cartons, cases, or larger lots for commercial use, it is obviously impossible to grade the eggs to a 100 per cent standard. Consequently, Consumer Grades have been established for these groups or lots of eggs of commerce, so that a practical working basis would be provided for designating commercial lots of eggs by grade. The Consumer Grades are based on the general principle that 80 percent of the eggs in a particular grade must be the basic quality for that grade; for example, in U. S. Consumer Grade A, at least 80 percent of the eggs must meet the standard for a U. S. Grade A. Four

Consumer Grades are provided. In the order of quality, these are Grade AA, Grade A, Grade B and Grade C. Grade AA eggs are found only to a limited extent in commercial channels of trade. Grade A eggs are, therefore, the grade of quality eggs generally available in consumer channels. This grade of eggs is suitable for all table purposes and is of a quality acceptable to discriminating consumers. U. S. Grade B eggs represent probably the greatest volume of eggs of any of the grades. Eggs of this quality are good usable eggs, suitable for all purposes except where quality is demanded by the more discriminating consumers. U. S. Grade C eggs are of the lowest edible quality. These eggs are suited for cooking and for outlets where, generally speaking, price is a more important consideration than quality.

There followed a from-the-floor discussion of the need for tolerances in the grading of eggs.

Garner: The tolerance business is one that is important. This schedule means per dozen rather than per egg. It looks like there should be a percentage tolerance.

Powell: Maybe Mr. Hauver can help you.

Hauver: I have no authority to allow tolerances.

Harris: Maybe Mr. McKenny can help. He's done a lot of grading.

McKenny: Not over two out of a dozen on the large eggs.

Powell: In a 10-case lot how far below can they go before being rejected?

McKenny: In a 10-case lot take 3 or 4 cases. If 3 cases average enough to run the full 10-cases, we would reject 10 cases of eggs.

Beanblossom: That means that an enormous tolerance is afforded.

Powell: Let's get back to these Standards. Five weight classes are provided for the U. S. Consumer Grades and these weight classes may apply to all of the four grades. The Weight classes are known as Jumbos, with a minimum average weight of 28 ounces to the dozen; Extra Large, minimum average weight 26 ounces; Large, minimum average weight 24 ounces; Medium, minimum average weight 21 ounces; and Small, minimum average weight 18 ounces.

Beanblossom: As far as tolerances on weights, the weights do not apply to each egg and the average can well make it easy.

Hauver: On the weight we have no tolerances on minimum weight. You will find that now, since we have just changed from 22 to 23 ounce eggs some of the experienced graders will forget.

Harris: Just a minute. You turned down some of my eggs. If you had followed Mr. Beanblossom's ruling, you would not have.

Beanblossom: There is no tolerance on the minimum but it amounts to a tolerance on the average.

Harris: That's right. It's a matter of judgment.

Sheffield: Last year on the inspections, particularly on the wholesale grades, the case tolerance was listed at 5% and on the carton tolerance it was 2 eggs below the minimum weight. I believe that, even though it is not written in the grades, it is accepted.

Garner: That might be in violation of OPA regulations.

Hauver: I think it might be well to consider a recommendation from this group on some such thing as the 5% ruling of last year.

Sheffield: I thought they stayed in effect until they were superseded.

Etheridge: Does the OPA have authority to nullify any part of the Federal grades?

Shrader: I think it takes in all the grades and standards as set up by the U. S. Department of Agriculture.

Powell: It is possible, however, for the OPA to issue an amendment to change the grades. They did that on poultry. That is the only exception I know of.

Etheridge: I think our discussion should be clarified. They don't know what they are working under.

Powell: They are working under these standards with the exception of that one exception.

Meeks: Under what authority was that exception made?

Tolman: (Read an amendment on poultry which permits hard scald poultry to carry Grade A, which is not permissible under Department of Agriculture grades)

Meek: We have had right much passing of the buck between the OPA and

Agriculture. If the OPA can establish grades that are different from Agriculture's grades then we don't have a set of national grades. Certainly in the establishment of standards, if OPA takes that over from Agriculture, we are going to have more trouble than we will have in getting enforcement where we don't have trained people.

Bell: Why bother until we get cases of actual conflicts?

Etheridge: We had a misunderstanding this morning when the OPA man, who was supposed to know, did not.

Powell: I don't think we will have any trouble. The OPA has adopted these grades. I think the people can make these grades, particularly on eggs. On live poultry I am not so sure.

Overton: Heretofore a man who has been selling milk-fed chickens has sold them at a higher price than the regular price. Now the ceiling price regulation lumps them in together.

Powell: That is right, but where there is a shortage as we are having today people will pay the same for each.

Overton: They will pay the same thing for a grasshopper chicken as for a milk-fed chicken.

Smith: That's in violation of OPA ceiling, isn't it?

Tolman: Yes, that's right.

Shrader: We had the same thing with battery-fed broilers and range-fed. The battery-fed go first. We are trying to prevent inflation. The man who produces the battery-fed chicken perhaps suffers but it is up to him to decide. The only thing to do is tell them there is a war on.

Beanblossom: It seems to me that the question is a matter of differential between a Grade A, B, and C chicken. It is a matter of enforcement on grading.

Beard: Can you enforce it when they are running all over nine states looking for a chicken to buy?

Powell: We have exactly the same thing up north. Ohio is coming into Virginia and taking poultry back. It is happening wherever poultry is short. Mr. Todd said they were paying the farmer for the chicken at ceiling price and then paying him a huge sum for "helping him to load the truck." Enforcement is a problem.

Beard: Yes, and as employees of Agriculture it is up to us to enforce OPA rules.

Powell: That's right. And there are some farmers who don't know what the ceiling price is.

Goodridge: We have to deviate from hard and fast rules where people and stock are hungry.

Powell: Now, our problem is that we have a set-up. Maybe we can work out something that will make this set-up work better.

Beard: The trouble is that some are working under regulations and suffering while others are not abiding and are getting rich off it.

Ross: One thing is that producing areas are turning into consuming areas. Adherence to the grades will not help things. If people have the money they will want to buy at any price.

Powell: We are getting off on poultry. To get back to the egg grades. Now that we have taken up consumer grades, do you know about the procurement grades? The U. S. Procurement Grades for Eggs are very similar to the previous grades known as U. S. Export Grades. These grades are intended for use only in the grading of eggs which are to be sold to Government agencies. There are four Procurement Grades known respectively as Procurement Grades I, II, III, IV. These grades represent different blends of the basic quality U. S. Grade A and U. S. Grade B. U. S. Procurement Grade I, for example, is identical with U. S. Consumer Grade A. U. S. Procurement Grade IV, while not identical, is very similar to U. S. Consumer Grade B. U. S. Procurement Grades II and III represent intermediate stages between U. S. Consumer Grade A and U. S. Consumer Grade B. These grades were established because of the need for certain Government agencies to purchase eggs in large lots which contained a blend of Grade A and Grade B Quality.

Now on the poultry grades, Tentative U. S. Standards for Classes and Grades for Dressed Poultry have likewise been established and represent recent revisions of the previous grades. The standards as defined apply to individual carcasses of the different classes. There are standards for dressed turkeys, broilers, fryers, roasters, cocks, stags, capons and fowl, and for dressed ducks, geese, guineas and squabs. In most of the classes, four quality standards are provided. As in the case of eggs, these are carried in the order of their descending quality - U. S. Grade AA, U. S. Grade A, U. S. Grade B, and U. S. Grade C.

The amount of U. S. Grade AA poultry available in commercial channels is very limited. Consequently, U. S. Grade A quality is top quality, generally available to consumers. U. S. Grade B poultry, as in the case of eggs, is a good usable product but of a lower quality than U. S. Grade A. U. S. Grade C represents the lowest edible quality of dressed poultry. In establishing standards for dressed poultry, the following factors are taken into consideration: degree of fleshing, degree of finish or fat, workmanship, and freedom from deformities.

Dressed poultry is commonly packed in boxes, usually twelve to the box or in barrels holding a large number. In order to apply grades to such packages of poultry, Wholesale Grades have been provided. The U. S. Wholesale Grades require that 90 percent of the poultry in wholesale packages shall be of the basic quality in question with the balance in the next lower quality.

Sheffield: Suppose we have an organization packing eggs without any supervision and they are marking their eggs. Their grades do not actually come up to our standards. What shall we do about it?

Powell: The OPA would likely give him a warning and after then, if he continued to up-grade, then the OPA Enforcement Division gets after him.

Question: Poultry does not have to be federally graded, does it?

Powell: It should be graded A, B, and C but does not have to have federal inspection.

McPherson: I think that gives us the picture of Federal grades and how they fit into OPA regulations. Now we have the more detailed job of making Federal-State inspections work. Mr. Hauver:

Hauver: We in the inspection and grading division of the Dairy and Poultry Branch of the Food Distribution Administration conduct a grading service in dairy and poultry products. Our authority for the conduct of this work is provided for in the same Act of Congress that makes provisions for the grading of other farm and food products.

Today's discussion will be limited to the methods and procedures involved in the actual grading of eggs and dressed poultry. This grading work is done by official graders authorized by the Secretary of Agriculture to investigate and certify to shippers and other interested parties the class quality and condition of poultry and eggs.

Who may obtain grading? Application for grading may be made by any financially interested person or his authorized agent including Federal-State, County and municipal governments and common carriers. Application for grading may be made orally, in writing, by telegraph, telephone or otherwise. Application may be filed at any grading office or with any authorized grader at or nearest the place where grading is desired.

Who may be licensed as official graders? Persons showing proper qualifications may be licensed by the Secretary as Official Graders or as Supervisors of packaging. All licenses shall be counter-signed by the Officer in charge of the Inspection and Grading Division; Specialists in that Division or by the Supervising Grader under whose direction the Licensee is to work; and unless the Licensee is a Federal or State employee, as a condition to the granting of the license, he shall procure, at his own expense, and deliver to FDA a surety bond in the amount of \$1,000 as surety for the proper performance of duty as a Licensee under the Act.

How may graders be provided? There are three different methods of providing Official Graders of eggs and poultry. First, grading work is done on a fee basis by grading officials located in the larger markets of the country. We have certain designated markets in which we maintain grading offices. Some of these are as follows: Boston, New York, Philadelphia, Washington, Chicago, St. Louis, San Francisco, Los Angeles, Portland, and Seattle, Second, licensed State employees who work part time in the performance of grading activities. In some states we have licensed state employees who serve as Official Graders of eggs and poultry. Third, resident graders. A resident grader is an official grader who is stationed at a firm to do full time grading work of eggs and poultry. We have two methods by which we employ resident graders. One is where the grader is a full time Federal employee and the other is where we license a grader who remains in the employ of the firm. This person must provide a \$1,000 bond as surety for proper performance of duty. When a Federal employee is stationed at a firm, the firm underwrites the salary of that grader plus 15% to cover overhead and supervision costs. The 15% overhead charge is also made when the grader remains on the firm's payroll. Firms with bonded and licensed graders and supervisors are advised that the bonding and licensing of company employees is a temporary arrangement to expedite the handling of grading work in connection with OPA regulations and lend-lease activities and that we will expect all graders and supervisors so employed to be placed on a regular appointment basis as soon as it becomes feasible to do so or if they do not desire to be put on a regular

appointment they will be replaced by some other qualified personnel.

Due to the tremendous expansion of our work it has been necessary to go to the trade in order to obtain qualified graders. In some cases we have been forced to employ men on rather limited training which has increased our supervising problem. This has been necessary in order to provide the grading service as quickly as possible to take care of this expansion. We feel that for the most part, a fairly satisfactory job of grading is being done.

Cooperative Agreements: In order that our inspection and grading service might be made available to interested parties in the United States we have entered into cooperative agreements with most States for the conducting and supervision of the work. As most of you know, our personnel is limited and we have had to depend on the States to provide most of the graders and supervisors. This has been particularly true in the Southern Region. These cooperative agreements differ somewhat but in general each one is quite similar. We do not always have the same parties participating in the agreement in each State but usually the participating parties are the State Departments of Agriculture, Marketing Bureaus, Colleges of Agriculture and in practically all cases cooperative Extension Services. We have depended largely on the Extension Service for handling the educational phases of the grading program, and, as you know, the inauguration of the grading program is largely educational.

Supervision and regulatory phase of the work is usually handled by one of the participating parties, in other words, one of these parties is charged with the responsibility of the actual conducting and supervision of grading in that State. One man is usually designated as the Federal-State Supervisor and is charged with the responsibility of seeing that the grading work is kept on a high plane. This Federal-State Supervisor works in cooperation with the Federal Supervisor. It is the duty of the Federal-State Supervisor to keep accurate records of all certificates issued and all grading work performed in the State. This man must possess salesmanship ability in order to promote the grading work so that it may be self-supporting in that State.

The following are some of the points contained in the agreements:

1. In these agreements the FDA assumes responsibility for the administrative and technical supervision of the grading work conducted under the agreement.
2. Will be responsible for the collecting and handling of all fees and charges for grading and inspection and other services conducted under the agreement.
3. Will disburse from the fees and charges collected, insofar as funds are available, the salaries and expenses and other items of cost incurred in connection with the service, including the salaries and expenses of the co-operating agency's employees whose services may be utilized as evidenced in writing and concurred in by the FDA in carrying out the work under the agreement. Reimbursement is usually made directly to the agency for expenses incurred and paid under this agreement. Cooperating agencies in the State, through its designated representative, will cooperate and assume joint responsibility with the FDA for the administrative and technical supervision of the work.
4. Will accept the official standards and grades as designated by the FDA for use in the conducting of the grading work.
5. In most cases it is mutually agreed that the details of procedure, methods employed, also for grades used in the conducting of the work shall be those employed by the FDA and the sampling, weighing, grading and inspection shall be conducted in accordance with the rules and regulations of the Secretary of Agriculture and such instructions as may be issued by the Administrator of the FDA.
6. The fees for the sampling, grading, inspection and other work provided for by cooperative agreements shall be on the basis of the regular scale of fees specified in the rules and regulations of the Secretary of Agriculture unless otherwise provided by separate agreements with the applicants and approved by the FDA.
7. The cooperating agency may bill the FDA for 85% of any fees charged and collected for grading or other work rendered by their full time employees and for the full amount of the actual expenses incurred and collected in connection with such work; provided that not in excess of actual payments for salaries paid to regular full time

personnel which shall be billed to the FDA under the said 85% provision of the agreement, and, provided further, that claims rendered to the FDA shall be supported by an itemized statement of charges.

8. Grading, sampling and other certificates issued under this agreement shall be Federal-State Certificates or straight Federal Certificates as may be mutually agreed upon. All fees charged and collected for grading work shall be deposited in the Treasury of the United States to the account of a trust fund receipt account from which costs incurred may be paid.
9. At the close of each fiscal year any balance in the Trust Fund in excess of 50% of the gross collections for such work for that fiscal year will be withdrawn from the said appropriation account and deposited in the Treasury of the United States under Miscellaneous Receipts. It is not necessary to worry about losing any of the funds deposited by the State as in most instances these funds have been used in the payment of state graders.

Training of Graders: We have held grading schools for the purpose of training graders. When a person has had experience in egg and poultry grading and if he is open minded and willing to learn, he can be trained in a relatively short time. A person who has had no previous grading experience cannot be properly trained as an official grader in one grading school except in rare instances. It is necessary to supervise new graders trained in a short time very closely for the first few months of service as a grader. His training can and must be continued in conjunction with the supervisory visits by Federal and State men.

Some of the qualities desired in a grader are as follows:

1. He must do an impartial job of grading. A lot of eggs must stand on its own merits regardless of the owner or the conditions involved so that a Grade A will represent the same quality in one season of the year that it does in another season and so that Bill Smith's Grade A will be the same quality as John Jones'.
2. The grader must be consistent in his judgement of the quality of the products being graded. His grading should represent an honest opinion and must not be influenced by personalities or any conditions which may tend to sway his judgment.

3. A good grader must be consistent and thorough in drawing his samples. Sometimes people have a tendency to become lax near the end of the day, when they are tired. That is wrong because you don't get the true picture of the quality in that lot. Sometimes we get poor grading because we don't look at a sufficient number of eggs. You should vary your method of drawing your samples so that dealers and producers will not stack the pile on you. I'm not saying they do that in the South but they do in the big markets up North.
4. Another thing that a grader must always do is exercise tact. If a lot of eggs fail to meet specifications, you should reject the lot and make the contractor like it. A good grader must explain to the man wherein his grading is wrong.
5. The official grader, as he is doing inspection work should offer assistance to applicants in the grading of a product according to Federal Grades and Standards whenever possible. He should do a certain amount of educational work. However, his grading job is, after all, first and uppermost, so this additional work should not interfere with the proper conduct of his grading activities.
6. Another thing expected of a grader is that he should be practical in his grading work, but he must be careful that this practicality is not carried to an excess.

I have heard some state men in charge of grading work say that a grading job calls for 70% judgement and 70% knowledge of the product.

These remarks on the qualities of a grader are given so that you can see the importance of using judgement on the selection of your personnel. A lax grading program is worse than no program at all.

Now, we get down to how to make a grading on a lot of eggs. The grader should draw a representative sample and actually candle 100 eggs in each case of the sample. 10% of the cases is usually sufficient. In large lots a smaller percentage of cases will be sufficient for a sample. In smaller lots it is necessary to examine a higher percentage of the lot in order to determine the true quality.

The grader must keep accurate records of the various qualities

of eggs in each case examined and list them on a Graders Memorandum. The grade of the lot is determined from the average on all cases examined. If the eggs don't meet the grade in every respect, they should be rejected for that particular grade. In grading a lot of eggs and you find that the lot is a little below grade, you should examine a few more cases and find out whether it is definitely in grade or definitely out of grade. Graders who don't give this extra consideration are known as hard-boiled.

In making your inspection of various sample cases, you should vary your selection of eggs to be examined. You should look at different layers in different cases. That gives a representative picture of the quality contained in the various parts of the case. A grading certificate should be issued on each lot of eggs graded. All information should be included which would tend to bear upon the quality of the product and the packaging. Identifying marks should also be stated on the certificate. These certificates are accepted in all courts as *prima facie* evidence of the truth of the statements contained therein so it is very important that all statements be correct and that an honest, unbiased job of grading has been done. Certificates should be issued on all lots graded, whether accepted or rejected.

We go to a large extent by SRA-137, which contains a lot of information, including the fees to be charged. The fees should be stated on the certificates and also all expenses involved, if any. For an official grader the fees are based on the number of packages in the lot or on a time basis at the rate of \$2.00 per hour.

So much for the grading of eggs.

Beanblossom: In working with egg graders I find that only about 50% of them are uniform.

Hauver: That's right. I have often noticed that if I have been grading eggs pretty regularly and then stop for a while it takes me some time to get back to it. You have to stay with it or your sights get out of line.

Powell: What is the proper light to be used in candling?

Hauver: I don't know. It is a matter of the power you have and the amount of reflection you have. I like a 60-watt bulb. You can get by with a 10-watt bulb if you use an automobile head-light reflector.

Now then, let's discuss the grading and inspection of dressed poultry. In grading dressed poultry we sometimes operate on the sample method and sometimes we actually examine each bird. The method employed depends largely upon the time and place in the channel of marketing that the grading is made.

Each bird is examined when grading is made at a shipping point. This grading is, of course, made by an officially licensed resident grader who is stationed at the dressing and packing plant. In making this grading the grader must note the class of poultry, as determined by age, sex and weight, and as to method of plucking, dressing, finishing, chilling and packing. In addition to this, he must have his grades well in mind and grade each bird as to quality factors.

In addition to these shipping point inspections, we are frequently called upon to make class, quality and condition grading on terminal markets. These gradings are usually done by the sample method, in that we draw a representative sample from the lot in question and establish the grade, class or condition on the basis of the sample which was examined. A sufficiently large sample should be drawn in order that the true contents of the lots can be determined. In a uniform lot perhaps 10% of the packages would constitute a sufficient sample; however, when the lot is irregular and without uniformity a proportionately larger sample must be examined. As indicated in the previous discussion of wholesale grades of poultry, the lot being graded must be 90% of the grade intended with the balance made up of the next lower grade, and with individual packages containing not more than 2 birds,

of the next lower grade, in each 12.

Poultry grading can best be provided by use of the resident grader. However, in the designated markets, that have been mentioned earlier in this discussion, much of our grading work has been on the fee basis. The schedule of fees ranges from 50¢ for 50 or less to \$8.00 for from 20,001 to 30,000. When each bird is examined it may be necessary to charge for the actual time required in making the grading at the rate of \$2.00 per hour; and, in addition, any expense incurred.

We also offer an inspection and certification service of eviscerated or drawn poultry. Each bird that is so certified is examined for condition and wholesomeness by an official inspector who is a licensed veterinarian. These inspectors are stationed in evisceration plants and the firm is billed for the inspector's salary, the expense involved, plus 15%.

Poultry thus certified may or may not be graded by an official grader prior or subsequent to evisceration. We do not grade full drawn poultry unless it has been eviscerated under the supervision of an official inspector, except that drawn poultry which has not been previously inspected for condition and wholesomeness may be accepted as complying with contract specifications when offered for delivery to agencies, activities, or institutions where the product is to be consumed and will not be offered for public use.

We have made provisions for the grade labeling of products that have been officially graded.

Certificates of Quality are limited to products of high quality such as Grade AA and A eggs and butter. Eggs which are cartoned and sealed with certificates of quality must have been candled by an official grader or by limited licensed graders and check-graded by an official grader.

Grade B and C eggs may be labeled with Grade Seals. All grades of poultry may be labeled with grade seal or tags. Packages, certificates of quality, grade labels and tags must be approved by the Washington Office prior to their use in the merchandising of dairy and poultry products which have been Federal-State graded. Products

shall not be marked with a U. S. Grade unless they have been officially graded. They may be marked with the grade, such as Grade A, B, or C but always with the omission of "U. S.". In fact, it is required that eggs and poultry be marked with the grade under present OPA regulations. Grade labeling is done by or under the supervision of the resident grader. He is responsible for all certificates, grade labels, stamps, etc., used in the marking of graded products.

When the products are graded on the "fee basis" by an official grader not regularly stationed at the firm, then the firm must designate a Supervisor of Packaging, who is bonded and responsible for the proper marking and grade labeling of the products officially graded. In order to engage in the merchandising of Federal-State graded products the firm must make application for the grading service, application for the privilege of packaging products under the Certificates of Quality and Grade Labels, and, if necessary, designate a bonded Supervisor of Packaging.

In conclusion we want to impress upon you our interest in the development of permanent and sound grading programs in the various States of this Southern Region. We believe that grading and merchandising of food products is economically practical and desirable. A lot of good hard work must be done in each State by all of the agencies interested in production and marketing of poultry products. Our work is largely educational in the beginning. We must educate consumers as well as producers and middle-men in the factors of production and maintenance of quality. The success of the grading service will largely depend upon the efforts of the responsible men in the various States. We in the Food Distribution Administration will assist in this work in every way possible and it is our desire to cooperate with the State authorities to the fullest extent in order that the work may be a credit to all concerned.

We have some very good programs already established in the Southern Region which have been very helpful in getting more money for the producers. I know there is a good program in Virginia and Mississippi and a lot of the States. Just this year we are getting programs started in some of the others.

Smith: How many qualified poultry graders are there in the Southern States?

- Hauver: I don't know the number. We have held grading schools in the thickly producing areas. They know quality and they know poultry and all it takes is for them to be willing to adjust their sights according to our standards.
- Beanblossom: Should poultry be chilled before grading or after it?
- Hauver: It should have a temperature of 36 degrees. Virginia has perhaps the largest program on grading. I would like to call on Mr. Meek to tell you something of his program.
- Meek: Referring to eggs alone, that program has been going on for about fifteen years. We have had teamwork between the State and Federal agencies. I don't recall anything that the Federal people have ever forced us to do that we didn't get together on. I want to say that the grades were not revised any too soon for us. There are numerous sections in the State where the quality has been raised from 15% Extras to 85% Extras and the price of eggs in Virginia is such that the FDA has not purchased a single egg in Virginia. Mr. Kamper of OPA said they had been in Virginia but, out of justice to the grading program, I think I should say something about it. On poultry and eggs alone we took in more than \$85,000. We have the limited license graders - local people - whose work is not licensed until checked by the official graders. We have altogether about 140 or 150 people.
- Shrader: Any girls?
- Meek: Yes, many of them. Our program has been carried on by teamwork. The greatest factor in the future of this work, particularly with the war, the greatest factor is personnel. I might suggest that a committee be appointed to discuss personnel. If this is important to the war effort, it is important enough to give some searching effort and thought as to what constitutes personnel and how to get it. Some ten or fifteen years ago it didn't bother us but right now it is important.
- The only thing I might differ with what has been said here is that I believe we should have teamwork on the part of State and Federal agencies. I have taken in more than two million dollars on official grading on twenty or thirty different commodities that have been practically all voluntary. I believe in having uniformity of Federal grading and even though we differ with them

we must follow them. I believe we must have teamwork and, where possible, must have coordinated Federal and State work. I am confident that if the Federal Government had had to do the work we did in Virginia it would cost 50 to 100% more money than we spend.

I think it would be fine if we could get started on this in the whole area. If OPA does require official grades on eggs and nobody checks on them, it will hurt our official grading. If they do, it will help it. Frankly, I would ask them to take that off if they are not going to enforce it. Let eggs sell for what they are.

McPherson: Before we adjourn, I think we should decide how to do the big job which confronts us. Today we have had the rules and regulations as they now stand. Now we need to work out ways and means of how to get the job done. We have here five suggested committees to make recommendations to the Federal agencies involved. We want these recommendations to be wholly yours. I don't know whether these committees are right or not. Do you want them as we have them listed? Mr. Meek suggested earlier a committee on personnel and this morning a suggestion was made that we need one on the OPA regulations.

Beard: I suggest that we have a committee to present to OPA the true situation.

Moody: What about the grain situation?

McPherson: That will have to be left until next week. They are having a feed conference here then. Would it be possible to combine a committee on poultry and egg grading schools with the grading simplification?

Chadwell: I believe your registration cards will indicate what committee we want to be on. All of these other suggestions will fall into the breakdowns as you have them listed?

McPherson: How many would like to take the committees as is? Let me make the suggestion that we take these five committees and then appoint another committee on OPA regulations.

Etheridge: Take 4 and 5. We can sit here and discuss these "needs" all night but we can't do anything until we can go home and bring it to the people at home. The gentlemen in the States who are following poultry and egg grading work are by far the more familiar with the OPA regulations.

The following committees were decided upon:

1. Survey of need and plans for educational meetings and demonstrations among wholesale and retail egg and poultry dealers.

J. C. Bell, Chairman	James McGee
J. M. Williams	F. W. Risher
D. K. Young	D. E. Timmons
T. W. Hughes	

2. Survey of need and plans for education meetings and demonstrations among egg and poultry producers.

J. V. Pace, Chairman	John W. Overton
L. E. Paramore	H. L. Schrader
A. J. Chadwell	L. C. Salter
W. T. Loftin	T. Walter Hughes
E. P. Hilton	E. L. Johnston
Roy H. Thomas	James McGee
J. B. Beard	B. W. Haigh
Harry L. Moore	

3. Survey of need and plans for educational meetings and demonstrations among consumers.

J. C. Powell, Chairman	C. F. Parrish
J. M. Williams	B. J. McSpadden
T. W. Hughes	

4. Survey of need and plans for egg and poultry grading schools for both licensed and limited licensed graders.

F. Z. Beanblossom, Chairman	T. W. Hughes
L. E. Paramore	James A. Beaty
J. V. Pace	P. H. Goodridge
J. M. Williams	F. W. Risher
D. K. Young	Ralph Woodside

5. Survey and recommendations on OPA regulations.

J. H. Meek, Chairman	J. Dan Baldwin
T. A. Cole	Francis E. Kamper
W. B. Collier	C. W. Sheffield
V. L. Fuqua	W. P. McKenney

TUESDAY, APRIL 13

Meeting convened at 10:00 a.m. in the Rainbow Roof of the Ansley Hotel.

McPherson: Let's call the meeting to order and set up some procedure for the presentation of the recommendations. We will call on the chairmen to read the recommendations and keep the chairmen here to answer questions. Following each set of recommendations a discussion of the points, before voting on them, is in order. We will have approximately twenty minutes for each report. We will start hearing the recommendations with the Chairman of the Producers Committee.

Pace: I am Chairman of the Committee but Mr. Paramore will read the recommendations.

Paramore: I suppose that's what I get for having pencil and paper along at the committee meeting. The following is the report of our committee:

REPORT OF COMMITTEE ON EDUCATIONAL MEETINGS
AND DEMONSTRATIONS FOR POULTRY PRODUCERS

Poultry producers are faced with a very serious problem of maintaining and increasing the present high level of poultry meat and egg production. The alarming rate of increase in the cost of mixed feeds, the increase in cost of baby chicks, the increasing difficulty to purchase chicks, higher labor costs, and increasing scarcity of labor are threatening to halt the increasing rate of production and may result in reduction of the amount of poultry meat and eggs going to market if some form of relief is not forthcoming. To meet this rising cost situation the committee recommends:

1. That any adjustments to be made in poultry ceiling prices to allow additional margins to poultry handlers should not result in the rolling back of prices to farmers below present ceilings nor result in increasing the ceiling price to ultimate consumers.
2. Ceiling prices on mixed poultry feeds and baby chicks should be adjusted so as to result in a fair ratio to farmers between prices received for poultry and eggs and the cost of the feed.

3. Poultry producers in the Southeastern States should be encouraged to the fullest extent to raise chickens to weights of three pounds and over as a means of increasing the total production of poultry meat. Production of fryers and roasters should be pushed to the fullest extent in average size farm flocks.
4. The Regional Office of the Food Distribution Administration should bring together all of the available information from the different States bearing on cost of feed, chicks, and the economy in raising chickens to heavier weights for summary and distribution to the various agricultural agencies operating in the region.

In order that poultry producers may fully understand the price ceiling orders and regulations, the committee recommends that an educational program be carried out by the agricultural agencies in each State through meetings, circular letters, radio, press, and otherwise to explain the orders and their provisions to all producers. The committee recommends that the Office of Price Administration prepare a popular version of price ceiling orders in simple language for general distribution to producers, dealers, and agricultural agencies. The committee further suggests that the Office of War Information should discontinue advance press releases which are often poorly used or not used at all by the daily newspapers. News releases to the press should not be made until after the Regional and State Offices of the various agencies concerned with explaining and administering the orders have been thoroughly informed of the content and are in position to answer the questions and give proper interpretations.

To meet the needs for continued producer education the committee recommends the development of a long-time program on grade and quality improvement of poultry and eggs and farm marketing on a graded basis.

In view of the necessity for maximum utilization of the Nation's manpower in critical phases of the war effort, improvement in efficiency in marketing methods, reductions in marketing costs, and the narrowing of spreads between farm and consumer prices, the committee recommends the organization of producer owned and controlled cooperative marketing associations to handle poultry and eggs wherever

such associations can be set up on the basis of needs, sound business principles, and can continue operation after the war.

The rapid changes occurring in the poultry and egg situation during wartime requires continuous development of educational programs and techniques. In view of these conditions, the committee recommends the establishment of a permanent committee to work on education programs for poultry and egg producers and development of new educational methods and techniques to meet the dynamic conditions for the duration of the war.

Pace: In order to get the recommendation before the group I recommend the adoption.

Beanblossom: I would like to have that section on the ceiling price on baby chicks read over. I didn't get it.

Paramore: "That any adjustments to be made in poultry ceiling prices to allow additional margins to poultry handlers should not result in the rolling back of prices to farmers below present ceilings nor result in increasing the ceiling price to ultimate consumers."

Beanblossom: I am opposed to ceiling prices on chicks and eggs at the present time. We are wading into deep water. There has been a lot of thought given on this and thus far it has never been considered necessary by the industry. There is an entirely different problem when we go into that from one of food. We need additional information before making any such recommendation. I make a motion that that part be deleted from the recommendations.

McPherson: Is there any discussion on the deletion of this part?

Collier: I am in sympathy with Mr. Beanblossom. The various parts of the region have different grades for baby chicks and, from a ceiling standpoint, we can't arrange such a ceiling without making grades. That would entail violations of the national plan among the hatcherymen. It would be a very complicated procedure to work out. I am in favor of leaving that out.

Moore: The reason that was put in there was because of the increase of prices on baby chicks at the present time. Prices have

jumped from 11¢ to 15 or 16¢. We need to control it. Maybe somebody has a suggestion as to how to stop racketeering right now. I am perfectly in sympathy with that being deleted but something should be done about the price jumping from 4 to 5¢ to 15 or 16¢.

Beanblossom: Of course, the baby chick business is seasonal. Hot weather is not far away. I think that while there may be an increase in prices we still have reasonably cheap chicks in comparison with other commodities. I don't think this increase will continue because by the first of June we will have a let up of this increase. I think competition will step in, taking a big part in price structures. I think there may be some need for control but I think it is a matter of good judgment as to what we get into. Whether you can tell a man whether he can sell for breeder or broiler is something we can't determine.

Goodridge: I feel that those of us connected with the national poultry improvement plan cannot help but be in sympathy with Mr. Beanblossom. While Mr. Moore has admitted that the prices have advanced, they have just reached a point where the poultryman can make some money. The Federal Government is spending a lot of money to get the program over and I feel that if we suggest a ceiling price on baby chicks we will defeat the purpose of the plan. The breeders have not yet begun to make money out of it and these people need all the breaks they can get to continue to operate.

Schrader: I sat in on some of the committees when the original question went from OPA to Agriculture. If the suggestion should be set, it starts a long question of grading, breeding, premiums on hatching eggs, and such. If we must look at it, we will have to go away back. The custom in the trade is to reduce chicks in the summer because of supply and demand. It costs more to produce chicks in summer than in the spring and a slight increase in the cost is economically sound. It is fundamentally sound to have chicks cost more in the summer than in the spring.

Sheffield: I believe from the standpoint of having chicks available to produce a supply of meat we might have a tendency to discourage hatcheries. Some of them are running behind in our State, probably due to city farmers trying to put

them in the backyard. I think it is very unwise to put a ceiling price on them at this time as it might discourage the production.

McPherson: We have a motion before the house. Will it be seconded?

Collier: I second it.

McPherson: Any further discussion? If not, all those in favor of deleting the phrase that we put a ceiling on baby chicks please raise your hand.

For: 12

McPherson: All in favor of defeating the motion . . .

None

McPherson: It is moved and seconded that the report be adopted as amended. Vote by voice.

Unanimously carried

McPherson: Mr. Bell, Chairman of the Committee on wholesale and retail egg dealers.

Bell: REPORT OF COMMITTEE ON NEED AND PLANS FOR
EDUCATIONAL MEETINGS AND DEMONSTRATIONS
AMONG WHOLESALE AND RETAIL EGG AND POULTRY DEALERS

We feel that there is a need for meetings and demonstrations among wholesale and retail egg and poultry dealers.

Job to be Done

1. To discuss with wholesalers and retailers grades and standards
2. To acquaint wholesalers and retailers on existing State and Federal regulations
3. To develop plans with wholesalers and retailers for informing consumers on values
4. To encourage wholesalers and retailers to pass on to producers differentials in egg prices based on the grade of eggs delivered.

How to Do Job

By conducting meetings and demonstrations using all educational and regulatory agencies.

Who Is to Do Job

Extension Service responsible for developing program.

Beanblossom: I move that the report be adopted.

McPherson: Any comments?

Moore: I second the motion.

McPherson: It's a good committee that doesn't cause any discussion from the floor. Every one in favor of accepting the report as read signify by saying aye.

Voices: Aye.

McPherson: Opposed, no . . . There being no dissenting votes the motion is carried. Next, the report on consumer education.

Mr. Powell, Chairman:

REPORT OF COMMITTEE ON NEEDS AND PLANS FOR
EDUCATIONAL MEETINGS AND DEMONSTRATIONS
AMONG CONSUMERS

1. Needs

This program will advance only as far as the consumer understands the use of the various grades of eggs and poultry.

2. Plans

We believe that consumer education should follow two channels:

- A. Food value of eggs and poultry meat
 - (a) Emphasize nutritive value and cost
(For instance, 1 doz. eggs equals 3 qts.
of milk, or 1 lb. of steak, 1 lb of ham,
etc.)

- B. Service rendered by the different grades of eggs and poultry in cooking.
 - (a) Housewife grades on (1) table use
(2) cooking

3. Means of Education

All existing educational and service agencies will be used.

- A. Demonstrations and Displays
 - (a) Department store
 - (b) Grocery store
 - (c) Egg shows
- B. Circulars of Information
- C. Illustrative Charts including the uses of eggs
- D. Cooperate with the Poultry and Egg National Board
- E. County and City Nutritional Committees
- F. Ladies' Clubs and Organizations

Risher: I move that the report be adopted.

McPherson: Any comments?

Moody: In most States we have State nutrition committees.

Powell: You are right.

McPherson: Do you move that we add "State committees" to the phrasing?

Moody: I make that motion.

Beanblossom: I second it.

Pace: Is radio included in that?

Powell: No.

McPherson: Do you want to add that in? Do you make a motion?

Pace: I do.

McPherson: Does anyone second that motion?

Meek: I second it.

McPherson: All in favor of the report as now amended signify by saying aye.

Voices: Aye.

McPherson: Opposed, no . . . The motion is carried.

McPherson: The next report is on grading schools with Mr. Beanblossom as Chairman.

Beanblossom: RECOMMENDATIONS OF REGIONAL COMMITTEE ON
EGG AND POULTRY GRADING SCHOOLS FOR LICENSED GRADERS
AND NON-OFFICIAL GRADERS

1. It is recommended that the Food Distribution Administration, U. S. Department of Agriculture make available technical assistance and supervision for grading schools throughout the States in the Southern Region that desire such assistance. It is desirable that such assistance be made available at this time for use in training poultry and egg graders for full license as well as for limited license.
2. It is further recommended that States desiring technical assistance in conducting poultry and egg grading schools should file their applications for such assistance through the State Supervisors of the Food Distribution Administration.
3. It is the judgment of this committee that those States in the Southern Region which do not at present have cooperative agreements covering Federal-State grading and inspection services with the Food Distribution Administration should take immediate steps to secure such an agreement through the appropriate State agency.
4. This committee strongly recommends that any grading program initiated in the area be so designed as to reflect the benefits to the producer with adequate provisions being made for consumer education and protection.

5. It is the consensus of this committee that in organizing poultry and egg grading schools in the States, the poultry divisions of the State Colleges of Agriculture should cooperate with the Food Distribution Administration in providing educational facilities and personnel and that the State Departments of Agriculture should lend their support in connection with the licensing of graders.

Beamblossom: In order to get this before the body, I move its adoption.

Beauty: I second it.

McPherson: Any questions? If not, all signify by saying aye.

Voices: Aye.

McPherson: Opposed no . . . motion adopted. The last committee is on OPA regulations, with Mr. Meek as Chairman.

Meek: I rather imagine we will have some discussion on these recommendations. Suppose I read them through and then come back and take them up point by point.

REPORT OF THE COMMITTEE ON OPA REGULATIONS

We appreciate that the Office of Price Administration has difficult problems.

Violations of OPA regulations are developing to an alarming extent.

Information and enforcement have been delayed too long.

Legitimate dealers are being forced out of business by competition from black market operators.

Quick action must be taken by all agencies if the situation is to be controlled.

We recommend:

1. Immediate action of OPA to simplify regulations.

(a) In arriving at ceiling prices such as will make it possible for dealers and producers to

determine those prices applying to them.

(b) Relating to grade markings.

(c) Relating to enforcement of grade requirements.

2. Coordinating efforts by all Federal, State and other agencies and persons to inform all concerned, and to check on violations and secure compliance.
3. We recommend that OPA cancel requirements relating to grade markings and ceiling price differentials for eggs where there is no official inspection or grading.
4. Establish ceiling prices on poultry according to classes instead of grades.
5. That broilers and fryers be put on the same ceiling price level as the present fryer price.
6. Make provisions whereby haulers of poultry may receive proper compensation for hauling poultry from farmers to market.
7. The committee continue to work on ways and means to bring about improvements.

Those are our recommendations. I don't suppose it's necessary to read the introductory remarks over, since I believe we are all pretty much agreed on those. I'll start with the recommendations: "1. Immediate action of OPA to simplify and clarify regulations."

McPherson: Any discussion on that? If not, do I hear a motion that it be adopted?

Risher: I move that it be adopted.

Goodridge: I second it.

McPherson: All in favor say "aye". Opposed "no". The ayes have it.

Meek: Section (a) of Recommendation 1 reads: "In arriving at ceiling prices such as will make it possible for dealers and producers to determine those prices applying to them."

Goodridge: I move that that be adopted.

Risher: I second it.

McPherson: All in favor say "aye". Opposed "no". The ayes have it.

Meek: Section (b). "Relating to grade markings".

Pace: I move that we adopt it.

Cole: Second.

McPherson: All in favor say "aye". Opposed "no". The ayes have it.

Meek: "Section (c). Relating to enforcement of grade requirements".

McPherson: Is there a motion or do we have some discussion?

Robb: Just what is meant by that?

Meek: On eggs, for instance, where there is no official grading and check up, they may be marked up two or three grades higher than they are.

Robb: And what is your recommendation?

Meek: That it be simplified.

Beanblossom: You mean for the simplification of grades on the eggs?

Meek: It is a question of assorted eggs or graded eggs. I think it was discussed last night that if they don't simplify and get immediate compliance, they should not require grades on packages at all.

Pace: Do you also mean simplification on the method of arriving at ceiling prices?

Meek: That is covered in Section (a).

Beanblossom: I can't figure out just what you mean. If they are Grade A, B & C the OPA and the U.S. grades are the same. It is a matter of enforcing all grades.

Meek: That's what I mean. What we want is immediate action by OPA relating to enforcement of OPA requirements.

Beanblossom: Under (c) that isn't what you said. If it is purely on enforcement, all right.

Meek: It is purely on enforcement.

Moore: I have been trying to figure out for some little time how many grades we have. We have Grade AA, A, B, etc. Nobody seems to know and you can't get it from the OPA regulations. Are there 34 or 27 grades? I think the A, B, C,'s are okay but when you get sizes complications arise. I am not clear on them.

Beanblossom: My thinking on the grades is that OPA is supposed to use the grades as set up by the Department of Agriculture. I may be wrong in that.

Moore: But even Mr. Powell didn't bring out that.

Powell: I will try to clear it up. There is no Jumbo or Extra Large on B or C. Figuring it, there are only 16 grades because Jumbo and Extra Large have been removed. We have added Peewee. When you get to dirty and light dirty we have to add them here. I'll add all these in and see if we can agree on it.

Moore: Just get something out so we can explain it to the public.

Shrader: Assorted and Grade C are the same.

Voice: They sell for the same but they are not the same. They can take them in as assorted but must sell as Grade C.

Hauver: According to the regulation you could sell assorted eggs that would not sell as Grade C. In assorted eggs you could have 100% chicks but in Grade C you could not. Is that right?

Powell: I didn't think so. They have to be edible eggs.

Collier: Didn't the Chairman read that this was to be simplified?

McPherson: That's right.

- Meek: This discussion shows the need for it because of the confusion right here. The matter before us is "relating to enforcement of grade requirements". The committee is on OPA regulations.
- McPherson: Do you move that this section be adopted?
- Robb: I'm a layman but wouldn't it be better to have them called Graded A, B, or C and ungraded eggs rather than assorted?
- Powell: Why not simplify it and call it "ungraded" right in the recommendation? Make it more specific?
- Shrader: I'm glad to see your protests coming in. Undoubtedly that question will be cleared up in some subsequent regulation.
- Moody: I move that the recommendation be amended to read "simplified and clarified".
- Robb: I second that.
- McPherson: All in favor say "aye". Opposed "no". The ayes have it. Section 1 of the recommendations now reads "Immediate action of OPA to simplify and clarify regulations". Now to get back. What is your pleasure on Part "d"?
- Risher: I move that it be accepted.
- Collier: I second it.
- McPherson: All in favor say "aye". Opposed "no". The ayes have it.
- Meek: "Section 2. Coordinating efforts by all Federal, State and other agencies and persons to inform all concerned, and to check on violations and secure compliance".
- Beanblossom: I make a motion that Section 2 be accepted.
- Moody: Second.
- McPherson: Any discussion?
- Elliott: How do you propose to adopt it?
- Meek: I don't know. In my twenty years of effort in state work I will say that no effort has succeeded in getting to

the general public where there has not been considerable informative work. I don't like that word "educational" when dealing with adults. Children are educated. Adults are informed. And when they are not informed they make mistakes. We all make mistakes unless we are informed. We have had a number of things in our State in coordination with federal agencies. I am sorry that there has not been more of it. When our President makes an announcement it does not mean that individuals will carry it out. There has been a sad neglect of information given out to the people. In my own State there have been meetings to inform the general public. It is too late now to get it across. It will take much more time now. It will take everybody who will put anything in it to inform these people and to check up and get compliance. These requirements can stand but they need enforcement. Frankly, I felt that there would not be price differentials on these commodities. I was afraid of it. At no time have I wanted this unless there could be spot checking and informing of people and gradually drawing them into compliance and later forcing them to comply. My statement on the meats was "Don't let them force you to grade all meats". We started the meat grading in Virginia in June and we are underwriting the expense of it. We have two men now but because of the recent order we can't get the third one. We hope to have five eventually. It is still questionable to me whether with five of them we can get the job done. I have heard State representatives say that they have nobody who can grade meats. Those orders are not being carried out. They just won't stand up. This is going to be even worse. The poultry situation is growing bad. We have a flush season eggs now but just wait until slack production comes in. Who is going to mark them right unless they are officially graded? If some mark them wrong the rest will have to do the same thing or go out of business. It is the OPA's problem but it is also the problem of all Federal agencies to help them. Over a period of years Virginia has developed a half million dollars in official inspection programs on various commodities and supervising the services after they have been made available. I daresay that so far as Federal money is concerned we have paid them more money than they have spent in Virginia except for the establishment of grades, which was done on Federal funds. Some States may have done better and others have done worse. It is an OPA job and the rest of us must coordinate.

In Virginia we have 150 employees trained to grade eggs. We need additional personnel to take the place of those going to the armed services. Now, if OPA had all the money they could spend, the trained personnel is not available without taking it from the agencies who are doing this work. We offered to use our personnel to check in various places to find out the conditions and report to OPA. The answer is that OPA cannot delegate that responsibility to anybody else not on their payrolls. If something is not done to coordinate our program I believe the whole program will go wrong. Does that explain it?

Parrish: I would like to have the section reread.

Meek: All right. "Coordinating efforts by all Federal, State and other agencies and persons to inform all concerned, and to check on violations and secure compliance."

Parrish: "Check?" I can't go along with you in calling on educational agencies to go into regulatory matters.

Meek: I didn't mean that. I meant to use the education agencies to "inform".

McPherson: Do you want to offer a motion?

Parrish: I certainly do.

Meek: Let me read it again. (Mr. Meek reread the section).

Parrish: Then there is no amendment.

Goodridge: I believe that the wording would have to be changed. The only agency that is regulatory is the FDA.

Meek: We mean that any agency that can help OPA should be drawn in.

Moore: I move that the words "proper agencies" be inserted before "check on compliance".

McPherson: That does it. Any further discussion? Well, it has been moved and seconded. All in favor say "aye". Opposed "no". The ayes have it.

- Meek: "Section 3. Unless modifications are immediately adopted and reasonable compliance secured, we recommend that consideration be given by OPA to cancel requirements relating to grade markings and ceiling price differentials for eggs where there is no official inspection or grading."
- McPherson: Any comments?
- Voice: Read it again.
- Meek: (Reread the section.)
- Pace: What occasions do you have in mind?
- Meek: Eggs, for instance. It is true they are not U. S. grades but they are graded nevertheless.
- Pace: Hadn't you better state it specifically?
- Meek: We can't state it. If proper methods are taken to check and get compliance, we aren't recommending it.
- Chadwell: Mr. Meek, isn't that rather like tearing down the job because everyone won't go along?
- Meek: If it is not reasonable what the marks on the container would indicate it is certainly a terrible condition.
- Beanblossom: I don't propose to say how OPA will enforce that regulation but I agree with the gentleman who says that his state is grading eggs A, B, & C in competition with OPA's A, B, & C grades because there absolutely hasn't been to date the same amount of effort put behind the grades and to give to the consuming public the same grades. Go out and try getting eggs selling under OPA's A, B, & C grades and then get your official U. S. inspected eggs. If we are to continue a sound Government grading program on eggs there has to be some way to protect that program. I am not saying how to do it. I may be well to do away with differentials. I don't know, but we have got to be protected so that those people will be paid for the service they are giving to the consuming public.
- Schrader: I think that is a threat of sabotage being held over the whole grading program.

- Meek: You are not in the program. We are doing it to save the whole standardization system. What percentage of eggs are covered in this type of program?
- Hauver: Less than 10%.
- Meek: I think in Virginia it may be 40%. Take that. You have 60% and 75% of that 60% are on the market. Think what would happen.
- Chadwell: Mr. Meek, the first part of your statement is very true. The part that doesn't suit me is that where you say if we don't get complete compliance we will junk the whole program. We should work toward compliance, not doing away with the program. It seems to me we might be going a bit far if we recommend that it be discontinued if compliance is not up to high standard. I think it might be made as a comment rather than as a recommendation.
- Meek: We are in agreement. This work should still be done but we shouldn't have the markings if we are not going to make them comply. It wouldn't be junking the program of official inspection.
- Young: The wide latitude being given to the producer and seller in grading on eggs is too great.
- Powell: I think that the committee was agreed last night that enforcement was needed. Maybe we should put emphasis on that enforcement rather than a threat that it will be taken away. I can see how we will be in for criticism if we say you can't sell a Grade A egg without being Government inspected. Our program has always been a voluntary one.
- Goodridge: Dr. Powell has said just what I wanted to say. We know that the OPA has a tremendous job to do. The OPA can't get personnel to enforce grading. The percentage of grading is way down. I am sure that if you go around over the stores you will find some not graded. I think we should assist OPA all we can.
- McPherson: This has been an open discussion. Do I hear a motion?
- Pace: I think the motion is too strong but I don't know how to change it.

- Meek: We might say that "unless modifications are immediately adopted and reasonable compliance secured, we recommend that OPA cancel requirements relating to grade markings and ceiling price differentials for eggs where there is no official inspection or grading".
- Pace: That might help. But I think we might recommend to OPA that they do everything possible to get compliance.
- Parrish: I move that the motion be adopted as amended.
- Fuqua: I second it.
- Meek: (Reread the section)
- Parrish: You have changed something. I thought you were going to tone it down.
- Meek: Oh. You want it with the "consideration" phrase in?
- Parrish: Yes.
- McPherson: Just a minute, gentlemen, while Mr. Meek changes that.
- Meek: It now reads: "Unless modifications are immediately adopted and reasonable compliance secured, we recommend that consideration be given by OPA to cancel requirements relating to grade markings and ceiling price differentials for eggs where there is no official inspection or grading."
- Parrish: I move adoption as now read.
- Fuqua: I second it.
- McPherson: Any further discussion?
- Goodridge: I think we will have trouble in those stores where we do not have grading.
- Parrish: That word "reasonable" should give some latitude.
- McPherson: Any further comments?
- Meek: I might add that Virginia, for instance, has the advantage by virtue of our grading. We have had it for some time.

Goodridge: Your prices are not any higher. But if the OPA adopts that recommendation, they will take the lowest price. And we have a lot of these eggs.

Meek: To the extent that you have the grading you will have the higher prices.

Goodridge: I don't want to penalize our producers.

Cole: In my State where we can't get reasonable compliance it will certainly kill the grading system. I can sell my eggs at the ceiling price for Grade A and, after grading, would have to sell at a C grade. I think if we can't get reasonable compliance, we in South Carolina should not be penalized.

McPherson: Let's have a standing vote. We have been in session for two hours and we need to stretch.

The vote was 30 for adoption and 2 against it.

Meek: "Section 4. Establish ceiling prices on poultry according to classes instead of grades."

Robb: What is meant by that?

Meek: Mr. Risher, you made that recommendation. Will you explain it?

Risher: It is a common practice in the Southern Region to sell poultry according to classes. A hen is a hen.

Smith: We recommend that it be the policy of OPA to establish ceilings in the South by classes because they don't have the men to enforce the grades.

Beanblossom: I agree with part of those statements. I don't like to admit part of it. We in the South have not tried to sell poultry on grades. I don't like to think of taking a back seat on this grading business without attempting to do something about it. We have an opportunity with this kind of program that we should take advantage of. Don't let us admit that we can't come through with a grading program on classes of fowl. I am not willing to admit that we are not capable in the South. Let's make our opportunity.

- Shrader: I know of one recommendation that went in some two weeks ago which makes your recommendation look like pikers. This recommendation was that all poultry be sold at the same price because to the consumer chicken was chicken. That has been considered by them for two weeks. All fryers, broilers, etc. were to be sold at the same price. That was in order to get the black market in hand.
- Risher: I don't deny that working up to grades is a good thing but it will take fifteen years to put into effect that order if we go on an A, B, and C basis. Therefore, why create a black market condition? We have a trade practice that works pretty well. Therefore, we do have some semblance of a grading basis on classification. You can tell the difference between AA, or an A, B, or C chicken. We haven't the people to do it. Nobody can get out of here and train the personnel. Mr. Meek said I was responsible for getting that in the recommendations and I will take the responsibility. On the basis of a practice which is already running, I think that is why we should have classification rather than grades.
- Goodridge: We come into contact with people who talk about us enough as it is. Why make a lot of recommendations which we can't put into operation? We will just put ourselves in a position to be criticized. I am thinking of the fellow who is making a living and if we depend on a grading program our producers will be in a bad fix.
- Beanblossom: I think the suggestion made by Mr. Shrader is an entirely different thing. In other words, if we are going to turn the whole thing loose, then go by classes and not attempt to do any grading at all. So long as we are going to have any grading, I can't see how we are going to grade on classes. A fowl may be much better meat than a fryer. I am in sympathy with any program but it has to be practical or it won't succeed. We want to get something for a long time program even though it is started in an emergency. We need something of economic value to the producer. I can't subscribe to the idea that we don't need a grading program that will be of economic value to the producer. If our recommendations are not practical, we have fallen down and not the producer.
- Goodridge: Don't you think your producers know the difference?

Beanblossom: Yes, they know the difference, but one class may be better than another.

McPherson: Any other comments? We need a motion.

Smith: Please read it again.

Meek: "Establish ceiling prices on poultry according to classes instead of grades."

Cole: I move it be adopted.

Overton: I second that.

The vote was 18 for and 5 against adoption.

Meek: "Section 5. That broilers and fryers be put on the same ceiling price level as the present fryer price."

Beanblossom: If that goes through we are defeating the same thing we just finished voting on.

Risher: I beg to differ. You and I have different ideas as to classes. Fryers are one thing and broilers are another. Like breed hens are different from heavy breed hens. That is how we handle it in the South. Whether we class them right or not, that is the way we do it.

Smith: Isn't that in conflict with Mr. Paramore's recommendation on 3-lb. chickens?

Overton: No, there's no conflict.

Sheffield: I made a study of that in North Carolina and according to our market news, prices in that report did not indicate to me that the consuming public and the buying public makes any distinction. That shows in our State that they are not so much interested in broilers. In fact, I don't know how many here have actually had a broiling chicken in the last year. We have southern fried chicken and rarely put it on as a broiler. That's a leak and the sooner we get rid of it the quicker we will get rid of black market prices. Therefore, we in the committee feel that they should be lumped together.

Goodridge: I think Mr. Sheffield is right and will give our producers an edge in prices which they need. With the present cost

of feeds and such, the cost is little above 28¢ to produce these chickens, which is just a bit below the ceiling price. The producers may be taking a slight advantage. When a man is producing broilers, he doesn't like to sell his broilers so many a week. He wants to sell them all at once. Putting these two classes together would certainly simplify things.

Beard: I move it be adopted.

Haight: I second it.

McPherson: All in favor say "aye". Opposed "no". The ayes have it.

Meek: "Section 6: Make provisions whereby haulers of poultry may receive proper compensation for hauling poultry from farmers to market." Section 7: The committee continue to work on ways and means to bring about improvements." We had in mind going to the OPA in Washington and in Atlanta.

Pace: I move adoption of the report as amended.

Moody: I second it.

McPherson: All in favor of adoption of the report signify by saying "aye". Opposed "no". The ayes have it.

We are prepared for a discussion of the new price order and the egg support prices. It's nearly one o'clock. Do you want to go right on through or shall we stop for lunch? Let's take a vote.

Risher: I move we continue.

Meek: I second it.

It was voted to continue discussion to completion.

McPherson: Mr. Weaver, of FDA.

Weaver: Regulation 40 applies to shell eggs only and 41 is applicable to processed eggs. In the Southern Region we have only four egg processing plants. By the way, these questions and answers were prepared by Washington and we should like for you all to have a copy. (They distributed.) I believe it would be well to briefly

go over the order with you, and discuss some of the terms. The term "shell eggs" means the eggs of the fowl, known as the domestic or barnyard hen, in their natural state or treated with a mineral oil for the purpose of preservation. The term "storage" means a room or rooms of a total of 1500 cubic feet or more of storage space and equipped to be refrigerated to a temperature of 40° F. or less. The term "person" means any individual, partnership, corporation, association, or other business entity, and the "Director", of course, is the Director of Food Distribution, United States Department of Agriculture, or any employee of the United States Department of Agriculture designated by the Director.

The Restrictions covering Order No. 40 are simply that on May 31 all eggs in storage shall be set aside for governmental agencies. On June 1 there shall be no more eggs put in storage. By that, they hope to bring about the use of shell eggs in industry to stabilize the present market and, in addition, they expect a tremendous shortage of cases and they hope to keep these circulated and in use. Those two provisions are the primary purposes of the order.

On May 31 the Department is going to require from all storage houses a report as to the holdings of all individuals and therein we feel that you can all be of help to us. There are going to be a lot of small plants we won't have a record of unless we can solicit the assistance of all of you here today. That report will be made on the report form to be furnished by Washington.

On Order 41 it is simply a set-aside order on all spray-dried eggs and a limitation on other forms -- dried yolks, dried albumin, and pan-dried. That pretty well takes care of the provisions of Order 41.

I might go over the terms. "Drier" means any person who produces spray dried whole eggs. The term "spray dried whole eggs" means the dried whole eggs, of the type produced by the spray process, defined and identified in an order issued by the Secretary of Agriculture of the United States on July 19, 1939, promulgating a regulation fixing and establishing a reasonable definition and standard of identity for the food product commonly known as dried whole eggs.

Under the provision on limitation of production, it is applicable to the seasonal year 1942 beginning February 1, and no producer of any of these forms of processed eggs other than spray dried eggs may produce in excess of what was produced in that period. The question has been raised as to whether the producer could take the total of what he produced and produce only one form of processed eggs. He cannot produce in excess of what he produced the year before.

That gives you a brief idea of the sum and substance of the orders. Any questions you may have we will attempt to answer. Our experience with the orders has been limited. No. 40 does not go into effect until May 31. No. 41 is in effect now.

Sheffield: Is this to apply to spray driers and dehydration plants? Will he have to make application for the return of those eggs back to him from storage?

Weaver: He should have permission from the Atlanta Office or Washington for that.

Voice: He can store them if he gets permission?

Weaver: That's right. In addition, anyone may store to maintain a working inventory, but he must have permission.

Risher: How much of an increase will this amount to?

Weaver: We anticipate an 8% increase.

Ross: We are counting our chickens before they hatch, with feed troubles what they are.

Weaver: Washington says there is plenty of feed.

Parrish: If that's so, I wish I could find some of it.

McPherson: The statement from Washington is on the national level but the spread between feed grain prices and livestock prices is so great that the producers are holding the feed on the farms and are not sending it to the South.

Parrish: Isn't it a fact that Washington is thinking of issuing an order requiring us to slaughter a certain percentage of our livestock?

McPherson: We have just a restriction order.

Pace: Will the eggs taken over by the Government be released for civilian use?

McPherson: Under these orders we will permit storage for civilian supply.

Overton: How much storage space are we going to have?

Weaver: I don't look for a great relaxation on the order. I think it is a tough proposition to get relief. If a dealer feels that it is working a hardship on him, he may make application. At the same time he may store eggs to maintain a working inventory.

Overton: The places we know of won't take eggs. The Army has taken over the storage facilities and we can't store any eggs.

Smith: I don't think that's true in Georgia. Atlantic Ice says they can take eggs.

Weaver: We want to put into consumption as many eggs as possible now. One intent of the order is to insure both the military, lend-lease and the civilian population adequate distribution of what eggs we have. There will be no relaxation until we make a determination of what we will have.

Pace: Why are we consuming all we can now if there is a shortage?

Weaver: We anticipate an increase in production.

Pace: Is it better to have them eat the eggs in six months rather than in twelve months?

Weaver: We want to keep the market stabilized now. If we put them all in storage we would have a shortage now.

Pace: Aren't you trying to assure an adequate supply for the processing plants?

Weaver: Yes, but on the other hand we can't ship shell eggs and fresh eggs to the places that need our assistance. They must be spray dried eggs. The bakers now use the

largest part of our production of dried eggs. This order will induce them to use shell eggs.

Pace: Yesterday the OPA said that we were all right now but that they expected trouble later.

Weaver: They can be put in storage but when they go in storage they will be subject to Government regulation.

Pace: A while ago you said we were trying to get people to eat eggs now.

Fuqua: Wasn't it the intent of the order to curtail speculation?

McPherson: That's right. The order will not be administered in a way that will let us eat them now and be without next winter.

Pace: That is why I asked if any were to be used for civilian use.

Weaver: The civilians will be taken care of.

Paramore: In this report three million eggs went into civilian channels last year. Five million more cases are to be produced this year. If so, we won't need those in storage.

McPherson: We want to spread the supply out over a long period of time.

Voice: I didn't understand your statement on a dealer who makes application. What is your thought on that? If he is maintaining the prices by storing eggs, is he not entitled to obtaining a little better price? If he can't store eggs the price will drop immediately. You said it would be difficult for an individual to get permission to store eggs.

Weaver: I mean for his own civilian trade. It may in some instances have a tendency to reduce the prices. We don't know how it will work. The orders are so now, we can't say how they will work out.

McPherson: He still has a market for his eggs. It is just the civilian market. Even if the eggs in storage are frozen, he still can sell them to Government agencies.

- Voice: He will have to sell the current eggs though.
- McPherson: He can still store and sell to Governmental agencies.
- Goodridge: Are there storage regulations for any other commodities?
- McPherson: We have set aside orders on almost every commodity.
- Goodridge: He will rent his storage space for other purposes than eggs.
- McPherson: We are assuming that there will be sufficient storage space. But we are having set-aside orders on almost all commodities.
- Pace: On most commodities it is a certain percentage that's set aside and in this case it is all.
- Sheffield: Isn't this a direct drive on the part of the Government to reduce the prices of eggs more than any one other thing? In New York the storing trade was buying right up and the drying plants were not getting an adequate supply.
- McPherson: It is definitely the intent of the order to reduce speculation.. This buying was pushing the price up which would prohibit the drier from selling at the price now being paid by the Government.. From the interest of the producer it was also decided that our support prices in the South-east would be maintained to protect the producer. We can't drop our general price level too much below support prices. This is merely to take speculative business out of the market.
- Sheffield: That was not true in our State.
- McPherson: It's not true in any of the Southern States.
- Sheffield: It reduced the prices to the producer 1¢ and cut out almost the entire margin. It may be necessary to reduce it still more. That is very definitely getting close to support prices and I might say that the question might come up as to North Carolina being able to handle the deal on consumer grades.. Wholesale grades were used last year and was entirely unsatisfactory. If this force continues to force the price down, the state will suffer considerably..

McPherson: You are selling some eggs to us on consumer grades.

Voice: About 20%.

McPherson: I think the Secretary is definitely committed to support prices -- certainly until June. Any more questions?

Paramore: I wonder if you can make it clear as to whether requests should be directed to us or Washington.

Weaver: Washington wants us to handle as many of these requests as possible.

McPherson: When the forms come out the directions will be included. Let's move on to the price support program. Mr. Sampson:

Sampson: Most of you are familiar with the South Egg Program so you probably know the background pretty well. When the goals for 1942 as compared with 1941 were announced, the Southern States were asked to increase their production from 5 to 20%. These goals were established on the basis of information sent in by the States. That set up State goals -- some very low and others higher. High goals were established for the Southern Area to cut down the supply of eggs normally moving into this area from other sections of the country. It was realized that these States did not have adequate marketing facilities to carry on a grading program. For this reason it was realized that support must be given to these States during this period of readjustment. It was necessary when the government started its purchase program to buy some of this increased production. It has been interesting to note that these States have more than surpassed their goals. It is general over the South that production has been increased 20-30%. Markets have been stabilized and hatcheries cannot supply chicken orders. Production is likely to increase another 20-25%.

Last year we bought 49,771 cases of eggs in the South under this support program from March 13, 1943 under the 10-case egg program and by June 30, 29,032 cases were purchased in only seven States. Costs on commodity and operation was \$270,153. In some areas it was extended through August 30 but there were not many surplus eggs. During that time they only purchased 5084 cases of eggs. Under the offer and acceptance program we purchased 20,135 cases of eggs. The total cost was \$447,806 on the three programs.

It might be interesting to know percentages as to grades. After July 1 we put the 10-case program out under another program. We bought all eggs last year on the basis of wholesale grades. These fell into the following percentages: Extra: 1's - 46%, 2's - 10%, 3's - 7%, 4's - 8%. This makes a total of 68%. Standards: 1's - 23%, 2's - 5%, 3's - 2%, and 4's - 2%, making a total of 32%.

This program offers a splendid opportunity for an educational program. I am a little afraid that maybe this opportunity is not being fully taken advantage of in some States. In some areas it seems that eggs are thought of as seasonal. A condition like that challenges people responsible for educational work in the State. If you can educate the consuming public, the producer can be taken care of. We certainly do not like a condition where the people feel that they cannot buy eggs in the summer months with confidence. It is necessary that eggs move to the consumer at prices to justify the producer's efforts. It is bad when a consumer doesn't get a product which can be distinguished as far as grades.

Etheridge: Was there any material change between last year and this year as far as grades are concerned?

Sampson: Yes. In South Carolina, for instance, I was told they had almost no grading facilities.

Etheridge: Isn't it a fact that we are still not in a position to offer grading service for all of these eggs?

Sampson: That's right, but the program is growing and we should be more than pleased.

Etheridge: If we are not in a position to do that, why was the program set up on a basis that would use a retail price? Isn't that right?

Sampson: That's right.

Paramore: Didn't you insist on it as an educational program?

Sampson: Yes. If we didn't aim high, we would never have reached the top. If we hadn't insisted we would have ended up the program this year in no better shape to have a retail 10-case egg program next year than we were in last year. We are trying to get the southern area in a position to carry on a retail program from producer to consumer

without governmental assistance and this program is the only type of program to help this along. Practically all the Southern States are deficit States because the type of egg is such that we can't store them.

Meek: How many were purchased on the present program?

Sampson: 13,000 cases.

McPherson: Mr. Woodside, of the FDA, will outline for us now how the purchase end works.

Woodside: I have here a map of the Southern Region. The red pins indicate the contractors that are signed up on the 10-case program. The blue marks are the outlying stations. We have 236 contractors in the Southern Region. Of that 236 total, 43 contractors have sold eggs to us. 40 of them were in 6 States. We have purchased so far a total of 13,709 cases. Of these all went into the school lunch programs with the exception of 2,900 cases which we had to put in storage but which are now going out at a fast rate.

The number of cases purchased in the States are as follows: Kentucky - 100, Florida - 7,991, Alabama - 254, South Carolina - 200, Georgia - 3,724, and North Carolina - 1380.

When this program is in effect, in certain sections of the country we know there are shortages. The question comes up as to why we should purchase eggs. The majority of eggs purchased have come out of a territory where there was no market. They could market some eggs locally but the sections are in a thin production area and they are the sections that have needed help. We have tried to set up the program so that in future years they will have some outlets. In every case we have tried to help them find markets. As an example, we have worked with the Quartermaster Depots of the Army who were sending in eggs from the West. We take credit for having broken down the feeling that Western eggs were better than ours. We have gotten them to the place of taking less than carload lots. We are trying to operate the program from a marketing standpoint as well as from the support program.

In setting the program up last Fall you people were here. The program is not perfect. It is impossible to have the

same effect on every farm. We are trying to get maximum efficiency. With your help we will try to work out marketing programs for egg producers in the Southern Region. We would like to get your reactions to what we can do to make the program better in years to come. We think we have a better program this year than last. Do you have any discussion?

Risher: I know that the program last year and this year was a lifesaver. We argued this time that the price was not high enough. You might say that from the way the eggs came in it was too high.

Meek: In Virginia we know it was too high because you didn't get any eggs.

Woodside: We didn't need the eggs. We were trying to stabilize prices.

Meek: There was no announcement of the program made in Virginia.

Woodside: We have some contractors in Virginia.

Risher: I wrote you that we have one station only thirty miles from another with different prices and another ninety miles away with the same price. Why is that?

Woodside: That falls back to Washington. It was set by railroad rates from the Chicago market. There might even have been a differential in ten miles.

Sheffield: We admit in North Carolina that the program has been worth a lot to us, particularly last year. This year we feel it was set up inadequately between consumer and wholesale grades. The spread in wholesale grades is much larger than in any market. The eastern and central parts of the State have been out of the program for that reason. The program may reach a time when it would help considerably had those prices been worked out where they were equitable and more along consumer grades. North Carolina is unable to take care of a program on a consumer basis so far as the State as a whole is concerned. We feel right in working out programs even though some States may be bucking it because they think Washington is not giving the States consideration. Our meeting was held in Roanoke and apparently very little consideration was given to our recommendations.

We found no such amounts in North Carolina as 43% of our eggs going into an extra grade. Our volumes moved through 3's and 4's and 2's and 3's. In any program that is set up we feel consideration should be given to grades to cut out that wide spread. We were unable to operate because of that.

- Woodside: All the other States wanted consumer grades. You say you can't operate on consumer grades in that section. If ever we are going to get grading in, it will have to be on a consumer grade basis.
- Sheffield: We asked for both but there never was a plan worked out.
- Woodside: We did take two small orders.
- Sheffield: Where?
- Woodside: Raleigh.
- Pace: I never could understand why anybody wanted wholesale grades.
- Etheridge: Mr. Woodside said he bought 13,000 cases in North Carolina. The large production is in the eastern part of the State. We get such a large volume of eggs in such a small time that it is impossible to set up a grading service. We can't handle it.
- McPherson: This is a very healthy discussion. The most effective way we have of building a good program is to get the best thinking of the specialists in the various States. We welcome this type of discussion.
- We have problems in our mind. Mr. Paramore, of the FDA, will now show you some of the things we are confronted with.
- Paramore: In connection with the point made by Mr. Woodside on the red pins, we have another map showing where the heavier production is being concentrated. In connection with that we have raised the question as to what adjustments should be taken with the program to get it to the point where a marketing system can be devised to eliminate the support price program. We are making an effort to analyze the support program for the past two years with the idea of developing suggestions for next year's program. We need your suggestions and help.

We have some questions to ask you. What has been the effect of the program? Several of you present have pointed out that this program was a lifesaver. We are thinking of making price analyses to determine what the relations are.

Another point is on the question of the cost of handling the eggs through the 10-case egg program to determine adequacy or inadequacy of the present program. We are considering going into that.

Another point is the feasibility of establishing concentration points in the different States whereby eggs may be sent in for grading and handling and invoices made there for government purchases.

Another problem is to get across a good educational program and to determine to what extent the lack of graders has hurt the program. During the last twelve months 565 people have attended grading schools and learned something about grading eggs. That indicates progress is being made, but we need more.

We also want to make an analysis of prices and volume of eggs on current receipts and graded eggs.

We want to follow through on figures quoted on the percentage of eggs falling into the different grades and study the quality in 1943 as compared with 1942.

Another item is the egg price ceiling and what effect it will have on marketing methods and price structures. We want to get a good start on this, if it is going to be necessary.

Another question is refrigerated storage space and to gather or supplement information on the refrigerated storage space available for eggs in the Southern States.

I am wondering whether adjustments or changes need to be made in Federal-State Cooperative Agreements.

After we go that far, and with the help of you folks, we want to get a proposed program started for 1944. Do you feel that we should have a series of State meetings in which we get together and discuss this more thoroughly and then, after that, we will get together and discuss our concurred ideas?

McPherson: How many of you feel that a series of State meetings later in the year would be beneficial in developing next year's program? (A vote by show of hands was taken and passed by safe majority.)

Are there any more suggestions or questions on the 10-case egg program?

Risher: These questions should be discussed at a regional meeting and the State meetings.

McPherson: Please put that in the form of a motion.

Risher: I move we have a series of State meetings with Mr. Paramore and then have a regional meeting.

Beaty: I second that.

McPherson: All in favor signify by raising their hands. Looks like that does it.

Paramore: On that point we want to go along on this analysis and get factual data.

McPherson: Mr. Powell just gave me some information on wholesale grades.

Powell: The wholesale grades are in process of revision. They have not been adopted yet.

McPherson: That just about closes our formal topics on the program. I would like for the committees formed here to function as permanent committees. We would like to feel free to call on you or correspond with you on any questions. If you will do that, too, I am sure it will be appreciated by all agencies.

Risher: I move that the committees that we have had continue in harness and help out wherever possible.

Overton: I second it.

McPherson: All in favor say "aye". Opposed "no". The ayes have it. We appreciate that. Colonel Palmer, will you please come up and close the meeting?

- Palmer: I regret I have not been able to be with you at this meeting, but, as you probably know, they are continuing to drop in my lap duties in connection with the War Food Administration. Mr. McPherson and I can't both be away from the office. Are there any further questions?
- Moody: Can we go back and tell our people that there is plenty of feed?
- McPherson: That statement was made on a national basis.
- Palmer: The policy here is to pull in all Agricultural thought in the Southern States and try to work out our problems. We wanted you here to put your finger on these problems. We will try to get remedies. We are anxious to develop a South which will take its economic place in this nation. We appreciate your coming here and your cooperation. Thank you all very much.

A P P L A U S E

MEETING ON EGG AND POULTRY GRADING AND PRICE CEILINGS
Atlanta, Georgia - April 12 and 13, 1943

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